



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF BUDGET AND MANAGEMENT
GENERAL SOLANO STREET, SAN MIGUEL, MANILA

CORPORATE OPERATING BUDGET

Fiscal Year (FY) 2019

TO: CULTURAL CENTER OF THE PHILIPPINES (CCP)

Your Corporate Operating Budget (COB) for FY 2019 per Board Resolution No. 014 dated March 20, 2019 submitted pursuant to Section 6 of Executive Order (E.O.) No. 518, series of 1979 and Section 19, Chapter 3, Book VI of E.O. No. 292, series of 1987, is hereby approved for a total amount of **ONE BILLION FOUR HUNDRED SIXTEEN MILLION SIX HUNDRED THIRTY-SIX THOUSAND PESOS ONLY (P1,416,636,000)**, details of which are shown below:

PARTICULARS	PROPOSAL (a)	APPROVED (b)	VARIANCE (c=b-a)
TOTAL SOURCES:	P 1,492,998,000	P 1,492,998,000	P -
Corporate Funds	288,500,000	288,500,000	-
General Fund/National Government Subsidy	420,173,000	420,173,000	-
FY 2017 Unfunded Allotment	589,111,000	589,111,000	-
FY 2016 Unfunded Allotment	188,214,000	188,214,000	-
Share from Tobacco Inspection Fees	7,000,000	7,000,000	-
TOTAL USES	P 1,492,998,000	P 1,416,636,000	P (76,362,000)
Personnel Services (PS)	270,643,000	223,452,000	(47,191,000) a/
Maintenance & Other Operating Expenses (MOOE)	425,496,000	424,256,000	(1,240,000) b/
Capital Outlays (CO)	768,928,000 c/	768,928,000	-
Prior Year's Obligation (PY)	27,931,000	-	(27,931,000) d/
Excess / Shortfall	P -	P 76,362,000	P 76,362,000

Footnotes:

a/ The PS level variance refers to the following:

Particulars	Amount	Remarks
Salaries, Permanent	P 32,604,000	
Wages, Casual	2,781,000	
PERA	1,056,000	Overprovision for 276 positions (256 filled up positions as of Dec. 31, 2018 and 20 positions for filling up)
Uniform/Clothing Allowance	264,000	
Year-end Bonus	2,717,000	
Mid-year Bonus	2,717,000	
Cash Gift	220,000	
Representation and Transportation Allowance	222,000	Non-provision of Transportation Allowance (TA) to official/s with assigned motor vehicle
Anniversary Bonus	132,000	
Performance Enhancement Incentive	220,000	
Life & Retirement Insurance Premium	3,912,000	Overprovision for 276 positions (256 filled up positions as of Dec. 31, 2018 and 20 positions for filling up)
Employees Compensation Insurance Premium	53,000	
Pag-IBIG Contributions	53,000	
Philhealth Contributions	240,000	
Total	P 47,191,000	

b/ MOOE level was computed considering actual/audited expenses for previous years and the effects of inflation or proposal whichever is lower, details of variance as follows:

Particulars	Amount
Communication Expenses	P 159,000
Office and Other Supplies	94,000
Gasoline, Oil and Lubricants	10,000
Travelling Expenses	192,000
Subscription Expenses	71,000
Representation Expenses	194,000
Extraordinary Miscellaneous Expenses	1,000
Training and Seminar Expenses	161,000
Other MOOE	358,000
Total	P 1,240,000

c/ The proposed CO level is broken down as follows:

Particulars	Amount
Office Equipment, Furniture & Fixtures, and Books Outlay	P 550,000
Machineries and Equipment Outlay	44,191,000
Land and Land Improvements Outlay	9,000
Building and Structures Outlay	715,516,000
Transportation Equipment Outlay*	3,900,000
Others - Information Technology	4,762,000
Total	P 768,928,000

TO: CULTURAL CENTER OF THE PHILIPPINES (CCP)

- * The purchase of transportation equipment shall be consistent with the following guidelines:
1. The proposed acquisition of motor vehicles is funded through the FY 2019 GAA under the CCP's budget. The DBM has adopted a streamlined procedure for such wherein request for purchase of motor vehicles was already evaluated and approved by the DBM during budget preparation, based on the attached confirmation letter with corresponding budget included in the NEP. This shall no longer require issuance of a separate Authority to Purchase Motor Vehicles during budget execution as provided under item 4.4.2 of DBM Circular Letter No. 2018-10 dated November 8, 2018.
 2. Procuring entities may undertake their own procurement of motor vehicles pursuant to GPPB Resolution No. 20-2019 which delisted the motor vehicles from the list of Common-Use Supplies and Equipment to be procured thru the Procurement Service (PS).

d/ Programmed for payment only.

Notwithstanding the above-indicated variances in PS and MOOE, the CCP still has the flexibility to modify its utilization within the DBM-approved budget level for items funded out of corporate funds. In case of those funded out of NG budgetary support, Section 76 of the General Provisions (GPs) of RA No. 11260 on the rules on the modification in the allotment shall apply.

The following conditions shall be observed and complied with:

1. All expenditures, whether for current operating expenditures or for COs, shall be made within the limits of available funds realized from corporate receipts, authorized corporate borrowings and NG budgetary support either in the form of subsidy, equity or loans outlay.
2. Any increase in the approved principal COB in the course of the budget year, as may be warranted by additional corporate receipts, shall require the submission of a supplemental COB to cover the additional expenditures.
3. This approval shall not be construed as an authorization for specific expenditure items under PS which requires prior approval by the Office of the President (OP). Disbursements for PS shall strictly observe pertinent compensation laws, rules and regulations, including EO Nos. 7 and 24 dated September 8, 2010 and February 10, 2011, respectively, and EO No. 203 as amended by EO No. 36 (Suspending the Compensation and Position Classification System under EO No. 203, providing for Interim Compensation Adjustments, and for Other Purposes) for GOCCs covered by RA 10149. Such expenditures shall also be subject to relevant conditions under the GPs of the annual General Appropriations Act (GAA) or any specific law or approval of the President of the Philippines and/or Secretary of Budget and Management or the Governance Commission for GOCCs, as the case may be.
4. Disbursements for EME and other MOOE expenditures shall be subject to the relevant provisions of the annual GAA, among others.
5. For equipment outlays included in the Annual Procurement Program that require specific clearance/approval from the agencies concerned, shall be secured before acquisition thereof. Examples: Department of Information and Communications Technology for procurement of information and communication technology equipment covered by the GOCC's Information System Strategic Plan, and OP/Department of Budget and Management/Supervising Department for the purchase of motor vehicles (MV), in accordance with Corporate Budget Circular No. 17 dated February 9, 1996, Administrative Order No. 14 dated December 10, 2018; Budget Circular (BC) No. 2019-2 dated March 4, 2019; Office of the President Memorandum Circular No. 9 dated December 14, 2010. Further, the classification/s and specifications of subject motor vehicle/s shall be consistent with the provisions of BC No. 2019-2, and Annex B of BC No. 2017-1, among others.
6. Electronic payment shall be observed in the disbursement of corporate and public funds. In case when the same is impracticable, the GOCC shall be allowed to continue with the existing payment scheme.
7. Notwithstanding the repeal of AO No. 103, existing laws, rules and regulations mandating the judicious and prudent use of government funds shall be observed. No irregular, unnecessary, extravagant, excessive and unconscionable expenses shall be incurred pursuant to AO No. 6 dated September 19, 2017.
8. It is understood that this review action does not authorize any item of expenditure that is prohibited by or inconsistent with the provisions of law.
9. Any and all officials or employees who will authorize, allow or permit, as well as those who are negligent in the performance of their duties and functions which resulted in the incurrence or payment of unauthorized and unlawful obligation or expenditure shall be personally liable to the government for the full amount committed or expended and subject to disciplinary actions in accordance with Section 43, Chapter 5 and Section 80, Chapter 7, Book VI of EO No.292.

Recommending Approval:

C. Mahinay
CARMENCITA P. MAHINAY
Director, BMB - C

Date: 12-2-19

Approved:

By Authority of the Secretary:

Tina Rose Marie L. Canda
TINA ROSE MARIE L. CANDA

Undersecretary
DEC 05 2019
COB No. C1-19-0044

cc: The Chairman
Board of Trustees, CCP

Assistant Commissioner Winnie Rose Encallado
Commission on Audit (COA) - Central Office
COA Building, Quezon City

The Resident Auditor
COA - CCP

Department of Budget and Management
BTS



2019-S20809L